Ambulatory Care Practice Trends and Opportunities in Pharmacy

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Section of Pharmacy Practice Managers
ASHP

Objectives

• Describe trends in health system pharmacy reported in ASHP's national surveys and initiatives

• Explain payment changes to encourage improvements in transitions of care.

• Evaluate components of the external environment that will have major impact on pharmacy practice over the next 5 years and the impact on their practice setting.
Macro-Environment

The Big Picture

Recent News - CDC

“3. 5 million Medicare Part D enrollees don’t take blood pressure medicine as directed. At least one in four Medicare Part D enrollees aged 65 or older are not taking their blood pressure medicine or skipping doses, increasing their risk of heart disease, stroke, kidney disease and death, according to a Vital Signs report released this week by the Centers for Disease Control and Prevention. About 70% of U.S. adults aged 65 or older have high blood pressure, and only about half have it under control.”

http://www.cdc.gov/vitalsigns/blood-pressure/

Evolving Definition of Health System Ambulatory/Community Pharmacy Practice
Hospital Discharge Management

Effects of a hospitalwide pharmacy practice model change on readmission and return to emergency department rates
Samuel J. Yang, Michelle Y. Lai, Linnea K. Johnson, and Jay C. Lin

PRIME: Pharmacist Reconciliation and Medication Education at Discharge

CASE STUDY

Specific Focus on Rural Health

“Pharm2Pharm is designed to reduce medication-related hospitalizations and Emergency Room visits by establishing teamwork between hospital and community pharmacists. It will affect all three rural counties in the state of Hawai‘i – Hawai‘i Island, Maui and Kaua‘i – where, according to Hawai‘i Health Information Corporation, there were more than 15,000 medication-related Emergency Room visits and more than 700 medication-related hospitalizations among elderly in 2010.

“Charges for medication-related hospitalizations and ER visits among the elderly in rural counties of Hawai‘i add up to about $60 million per year,” said Pellegrin, who also is CoP’s Director of Continuing/Distance Education and Strategic Planning. “We believe that by advancing the role of the community pharmacist and improving collaboration and communication with hospital pharmacists, we can lower those costs and improve patient care.”
Hospital to Skilled Nursing Facilities

1 in 4 patients admitted to an SNF are re-admitted to the hospital within 30 days at a cost of $4.3 billion (2006-CMS data)

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PCMHs and CHCs

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Can pharmacists help organizations meet PCMH’s certification requirements?
Specialty Pharmacy

http://www.prweb.com/releases/2015/07/prweb12820222.htm

Health Care – Anywhere and All day

• Innovations occurring to managing patient populations
• FDA engaging in regulations
• Competitive edge for providers?
• Increased risk for data management and need for pharmacists?
"The critical role that medication management plays in treating chronic diseases suggests that the integration of pharmacists into chronic-care delivery teams has the potential to improve health outcomes. Studies of pharmacists providing medication therapy management (MTM) services to improve therapeutic outcomes indicate that such services can improve outcomes and reduce costs."
Developing the Business Case for TOC

- Expense Reduction
- Revenue and Outcomes
- Outcomes
- Core Measures
- Value Based Purchasing
- Total Cost of Care
- Health Professionals at Highest Level of Efficiency
- Revenue and Outcomes
- Quality of Life and Outcomes
- Core Measures
- Total Cost of Care
- Value Based Purchasing
- Health Professionals at Highest Level of Efficiency
- Think, Pair, Share

- Please break into groups of 2-3 for 10 minutes

- Topics to discuss:
  - What is your organization doing to improve transitions of care and opportunities in ambulatory care?
  - Have changes in reimbursement (positive incentives/negative incentives) influenced program development? How?
  - What is pharmacy’s role or could be pharmacy’s role to improving transitions of care and in new ambulatory care opportunities?
  - What have been the biggest hurdles for pharmacy?

- Group share:
  - Three volunteers to share successes.
PHARMACY PRACTICE TRENDS

U.S. Hospital Statistics

<table>
<thead>
<tr>
<th>Hospital Type</th>
<th>Qty</th>
</tr>
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<tbody>
<tr>
<td>Community Hospitals</td>
<td>4,974</td>
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<tr>
<td>Federal Gov’t Hospitals</td>
<td>213</td>
</tr>
<tr>
<td>Psychiatric Hospitals</td>
<td>406</td>
</tr>
<tr>
<td>Long term Care Hospitals</td>
<td>81</td>
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<table>
<thead>
<tr>
<th>Size</th>
<th>Qty</th>
<th>%</th>
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<tbody>
<tr>
<td>&lt; 50 beds</td>
<td>1,739</td>
<td>35.5%</td>
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<td>50-99 beds</td>
<td>698</td>
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<tr>
<td>100-199 beds</td>
<td>1,041</td>
<td>21.3%</td>
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<tr>
<td>200-299 beds</td>
<td>622</td>
<td>12.7%</td>
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<tr>
<td>300-399 beds</td>
<td>358</td>
<td>7.3%</td>
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<tr>
<td>400-599 beds</td>
<td>296</td>
<td>6.0%</td>
</tr>
<tr>
<td>&gt;600 beds</td>
<td>139</td>
<td>2.8%</td>
</tr>
</tbody>
</table>
Multi-Hospital Health System Growth (examples)

- Catholic Health Initiatives growth from 70 to 86 hospitals
- Ascension Health growth from 72 to 140-plus hospitals
- Community Health Systems from 150-plus hospitals
- Baylor Health Care merged with Scott and White – 39 hospitals
- Trinity Health merged with Catholic Health East – 82 hospitals
- Hospital Corp. of America – 162 hospitals
- Numerous academic medical centers acquiring or affiliating with community hospitals; or managing community hospital pharmacies

Health System Pharmacist Macro-Density Analysis (estimates)

121 Academic Medical Centers
12,000 FTE

Top 100 Multi-Hospital Health Systems
35,000 FTE

Top 25 States
52,000 FTE
### 2014 Survey Response

<table>
<thead>
<tr>
<th>Staffed beds</th>
<th>Surveyed</th>
<th>Respondents</th>
<th>Response Rate %</th>
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<tr>
<td>&lt;50</td>
<td>298</td>
<td>85</td>
<td>28.5</td>
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<tr>
<td>50-99</td>
<td>200</td>
<td>54</td>
<td>27.0</td>
</tr>
<tr>
<td>100-199</td>
<td>200</td>
<td>48</td>
<td>24.1</td>
</tr>
<tr>
<td>200-299</td>
<td>200</td>
<td>70</td>
<td>35.0</td>
</tr>
<tr>
<td>300-399</td>
<td>200</td>
<td>58</td>
<td>29.0</td>
</tr>
<tr>
<td>400-599</td>
<td>200</td>
<td>65</td>
<td>32.5</td>
</tr>
<tr>
<td>≥600</td>
<td>138</td>
<td>46</td>
<td>33.3</td>
</tr>
<tr>
<td>All hospitals – 2014</td>
<td>1435</td>
<td>426</td>
<td>29.7</td>
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### Transitions of care

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>%</th>
<th>%</th>
<th>%</th>
<th>%</th>
<th>%</th>
<th>%</th>
<th>%</th>
<th>%</th>
<th>%</th>
<th>%</th>
<th>%</th>
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<tr>
<td>Medication reconciliation</td>
<td>62.4</td>
<td>17.6</td>
<td>12.9</td>
<td>9.4</td>
<td>15.3</td>
<td>9.4</td>
<td>15.3</td>
<td>38.8</td>
<td>35.3</td>
<td>3.5</td>
<td>2.4</td>
<td>2.4</td>
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<tr>
<td>Handoff to community pharmacy</td>
<td>68.5</td>
<td>13.0</td>
<td>16.7</td>
<td>5.6</td>
<td>5.6</td>
<td>11.1</td>
<td>3.7</td>
<td>31.5</td>
<td>20.4</td>
<td>5.6</td>
<td>1.9</td>
<td>3.7</td>
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<tr>
<td>Mfg. Assistance program</td>
<td>47.9</td>
<td>12.5</td>
<td>22.9</td>
<td>8.3</td>
<td>22.9</td>
<td>6.3</td>
<td>2.1</td>
<td>39.6</td>
<td>31.3</td>
<td>16.7</td>
<td>8.3</td>
<td>2.1</td>
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<tr>
<td>Outpatient pharmacy</td>
<td>58.6</td>
<td>17.1</td>
<td>22.9</td>
<td>14.3</td>
<td>21.4</td>
<td>12.9</td>
<td>10.0</td>
<td>47.1</td>
<td>28.6</td>
<td>21.4</td>
<td>17.1</td>
<td>2.9</td>
</tr>
<tr>
<td>Patient-specific action plan</td>
<td>72.4</td>
<td>6.9</td>
<td>39.7</td>
<td>10.3</td>
<td>44.8</td>
<td>17.2</td>
<td>15.5</td>
<td>50.0</td>
<td>34.5</td>
<td>37.9</td>
<td>10.3</td>
<td>8.6</td>
</tr>
<tr>
<td>Home infusion service</td>
<td>63.1</td>
<td>13.8</td>
<td>50.8</td>
<td>27.7</td>
<td>41.5</td>
<td>15.4</td>
<td>15.4</td>
<td>55.4</td>
<td>32.3</td>
<td>44.6</td>
<td>13.8</td>
<td>3.1</td>
</tr>
<tr>
<td>Pharmacist counseling</td>
<td>76.1</td>
<td>23.9</td>
<td>50.0</td>
<td>39.1</td>
<td>63.0</td>
<td>37.0</td>
<td>15.2</td>
<td>76.1</td>
<td>50.0</td>
<td>63.0</td>
<td>13.0</td>
<td>13.0</td>
</tr>
<tr>
<td>All Hospitals - 2014</td>
<td>60.9</td>
<td>15.0</td>
<td>22.2</td>
<td>11.3</td>
<td>21.4</td>
<td>11.1</td>
<td>10.2</td>
<td>41.9</td>
<td>31.6</td>
<td>15.6</td>
<td>7.0</td>
<td>3.4</td>
</tr>
<tr>
<td>All hospitals – 2012</td>
<td>54.3</td>
<td>9.7</td>
<td>26.8</td>
<td>10.8</td>
<td>17.0</td>
<td>5.3</td>
<td>11.9</td>
<td>21.7</td>
<td>23.7</td>
<td>n.s.</td>
<td>n.s.</td>
<td>2.9</td>
</tr>
</tbody>
</table>

* - All discharge prescription services: 2014 - 21.5%; 2012 – 11.8%
### Pharmacists in Outpatient Clinics

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Outpatient clinic setting exists %</th>
<th>Pharmacists work in clinics %</th>
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</thead>
<tbody>
<tr>
<td><strong>Staffed beds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;50</td>
<td>68.2</td>
<td>18.8</td>
</tr>
<tr>
<td>50-99</td>
<td>61.1</td>
<td>16.7</td>
</tr>
<tr>
<td>100-199</td>
<td>81.3</td>
<td>33.3</td>
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<tr>
<td>200-299</td>
<td>78.3</td>
<td>43.5</td>
</tr>
<tr>
<td>300-399</td>
<td>87.9</td>
<td>38.6</td>
</tr>
<tr>
<td>400-599</td>
<td>80.0</td>
<td>53.8</td>
</tr>
<tr>
<td>≥600</td>
<td>91.3</td>
<td>78.3</td>
</tr>
<tr>
<td>All hospitals – 2014</td>
<td>74.1</td>
<td>31.4</td>
</tr>
<tr>
<td>All hospitals – 2013</td>
<td>70.3</td>
<td>27.1</td>
</tr>
<tr>
<td>All hospitals – 2010</td>
<td>75.8</td>
<td>18.1</td>
</tr>
<tr>
<td>All hospitals – 2008</td>
<td>58.9</td>
<td>17.1</td>
</tr>
<tr>
<td>All hospitals – 2006</td>
<td>64.0</td>
<td>19.2</td>
</tr>
</tbody>
</table>

### Ambulatory Clinics Where Pharmacists Participate (%)*

<table>
<thead>
<tr>
<th>Clinics</th>
<th>2006</th>
<th>2010</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anticoagulation</td>
<td>10.7</td>
<td>11.0</td>
<td>16.6</td>
<td><strong>16.8</strong></td>
</tr>
<tr>
<td>Oncology</td>
<td>8.1</td>
<td>9.7</td>
<td>14.1</td>
<td><strong>14.9</strong></td>
</tr>
<tr>
<td>General MTMS</td>
<td>3.9</td>
<td>6.2</td>
<td>10.5</td>
<td><strong>9.6</strong></td>
</tr>
<tr>
<td>Diabetes</td>
<td>5.1</td>
<td>4.6</td>
<td>9.0</td>
<td><strong>7.4</strong></td>
</tr>
<tr>
<td>Family medicine</td>
<td>2.3</td>
<td>3.1</td>
<td>6.3</td>
<td><strong>6.9</strong></td>
</tr>
<tr>
<td>HIV/AIDS</td>
<td>2.8</td>
<td>3.1</td>
<td>4.1</td>
<td><strong>3.3</strong></td>
</tr>
<tr>
<td>Lipid Control</td>
<td>2.5</td>
<td>3.1</td>
<td>5.7</td>
<td><strong>3.7</strong></td>
</tr>
<tr>
<td>Pain Management</td>
<td>2.3</td>
<td>2.6</td>
<td>2.6</td>
<td><strong>3.0</strong></td>
</tr>
<tr>
<td>Cardiac-HTN</td>
<td>2.5</td>
<td>1.1</td>
<td>5.3</td>
<td><strong>5.4</strong></td>
</tr>
</tbody>
</table>

*Note: Percentage of ALL hospitals where pharmacists participate.*
Number of Pharmacists Certified by BPS 2002-2014

Ref: www.bpsweb.org

Case Study Model: Froedtert & Medical College of Wisconsin

- Mail Order Pharmacy
- Discharge Program
- Pharmacist in Clinic
- Retail pharmacist has access to EPIC
- Discharge Program
- Prior Auth Service/Patient Assistance Program
- Access Points/Mail Order Pharmacy
- Prior Auth Service/Patient Assistance Program
- Overnight delivery (free of charge)
What do you think the future trends will look like?

- Growth in health care involving ambulatory care
- Clinical and financial models
- External competition for the same services and patients

How likely is it that the following will occur, by the year 2020, in the geographic region where you work?

1. In at least 25% of health systems, patient care pharmacists will have expanded responsibilities, encompassing both inpatient and outpatient services, for improving patient outcomes from drug therapy.
2. At least 25% of health systems will reallocate at least 10% of inpatient pharmacist positions to ambulatory care positions.

PHARMACY PRACTICE TRANSITIONS & PAYMENT TRENDS
Pharmacy Practice Transitions

- Transitions to global focus on continuity of care
- Transitions in practice and payment models
- Transitions in priorities of health care organizations
- Transitions in pharmacy practice

The Big Picture

- “Researchers have estimated that inadequate care coordination, including inadequate management of care transitions, was responsible for $25 to $45 billion in wasteful spending in 2011 through avoidable complications and unnecessary hospital readmissions.”
- “...nearly one-fifth of fee-for-service Medicare beneficiaries discharged from the hospital are readmitted within 30 days; three-quarters of these readmissions—costing an estimated $12 billion a year—are considered potentially preventable, especially with improved care transitions.”
- “Patients often don’t consistently receive follow-up care after leaving the hospital. Among Medicare beneficiaries readmitted to the hospital within 30 days of a discharge, half have no contact with a physician between their first hospitalization and their readmission.”
- “Almost one-fourth of Medicare beneficiaries discharged from the hospital to a skilled nursing facility were readmitted to the hospital within thirty days; this cost Medicare $4.34 billion in 2006.”

http://www.healthaffairs.org/healthpolicybriefs/brief.php?brief_id=76
http://content.healthaffairs.org/content/29/1/57.full
CMS Initiatives

Community-Based Care Transitions Program

The Community-Based Care Transitions Program (CCTP), created by Section 3026 of the Affordable Care Act, tests models for improving care transitions from the hospital to other settings and reducing readmissions for high-risk Medicare beneficiaries. The goals of the CCTP are to improve transitions of beneficiaries from the inpatient hospital setting to other care settings, to improve quality of care, to reduce readmissions for high-risk beneficiaries, and to document measurable savings to the Medicare program.

http://innovation.cms.gov/initiatives/CCTP/

Transforming Clinical Practice Initiative

The Transforming Clinical Practice Initiative is designed to help clinicians achieve large-scale health transformation. The initiative is designed to support 150,000 clinician practices over the next four years in sharing, adapting and further developing their comprehensive quality improvement strategies. The initiative is one part of a strategy advanced by the Affordable Care Act to strengthen the quality of patient care and spend health care dollars more wisely. It aligns with the criteria for innovative models set forth in the Affordable Care Act:

- Promoting broad payment and practice reform in primary care and specialty care,
- Promoting care coordination between providers of services and suppliers,
- Establishing community-based health teams to support chronic care management, and
- Promoting improved quality and reduced cost by developing a collaborative of institutions that support practice transformation.

http://innovation.cms.gov/initiatives/Transforming Clinical Practices/

FOHC Advanced Primary Care Practice Demonstration

“This demonstration project, operated by the Centers for Medicare and Medicaid Services (CMS) in partnership with the Health Resources Services Administration (HRSA), tested the effectiveness of doctors and other health professionals working in teams to coordinate and improve care for up to 195,000 Medicare patients.

Participating FQHCs were expected to achieve Level 3 patient-centered medical home recognition, help patients manage chronic conditions, as well as actively coordinate care for patients. To help participating FQHCs make these investments in patient care and infrastructure, they were paid a monthly care management fee for each eligible Medicare beneficiary receiving primary care services. In return, FQHCs agreed to adopt care coordination practices that are recognized by the National Committee for Quality Assurance (NCQA).”

CMS and HRSA provided technical assistance to help FQHCs achieve these goals.

http://innovation.cms.gov/initiatives/fqhcs/

Advanced Primary Care Initiatives

“The Centers for Medicare & Medicaid Services (CMS) is seeking input on initiatives to test innovations in advanced primary care, particularly mechanisms to encourage more comprehensiveness in primary care delivery; to improve the care of complex patients; to facilitate robust connections to the medical neighborhood and community-based services; and to move reimbursement from encounter-based towards value-driven, population-based care.”

http://innovation.cms.gov/initiatives/Advanced-Primary-Care/
CMS Initiatives

**Multi-Payer Advanced Primary Care Practice**

Under this demonstration, CMS is participating in multi-payer reform initiatives that are currently being conducted by states to make advanced primary care practices more broadly available. The demonstration will evaluate whether advanced primary care practices will reduce unjustified utilization and expenditures, improve the safety, effectiveness, timeliness, and efficiency of health care, increase patient decision-making and increase the availability and delivery of care in underserved areas.

[http://innovation.cms.gov/initiatives/Multi-Payer-Advanced-Primary-Care-Practice/](http://innovation.cms.gov/initiatives/Multi-Payer-Advanced-Primary-Care-Practice/)

**FQHC Advanced Primary Care Practice Demonstration**

The three-year Federally Qualified Health Center (FQHC) Advanced Primary Care Practice (APCP) Demonstration concluded on October 31, 2014 as scheduled. It came to its natural conclusion under the authority of section 1115A of the Social Security Act, as enacted by section 3021 of the Affordable Care Act. CMS is presently analyzing the demonstration data and the final results will be published on the CMS website at a later date.

The Federally Qualified Health Center (FQHC) Advanced Primary Care Practice demonstration showed how the patient-centered medical home model can improve quality of care, promote better health, and lower costs.


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**Preparing for Changing Reimbursement Models**

**Risk-Based Bundled Payment**

![Diagram of Risk-Based Bundled Payment](image)

- DRG Re-admissions
- Bundled Payment
- Fee for Service TOC PCMH
- PBM/$$
- ACOs, Core Measures, Star Ratings
Reimbursement For Pharmacist’s Involvement in Transitions of Care

<table>
<thead>
<tr>
<th>Description</th>
<th>HCPCS/Billing Code</th>
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<tbody>
<tr>
<td>Physician office incident to - codes for CMS 1500 form</td>
<td>99211-99215</td>
</tr>
<tr>
<td>Facility fee - incident to - OPPS clinic used with UB-04 form</td>
<td>G0463 replaces HOSPITAL/Facility Fee use of 99211-215</td>
</tr>
<tr>
<td>Annual Welcome Medicare – physician or qualified non-physician provider ONLY</td>
<td>G0402</td>
</tr>
<tr>
<td>Medicare Wellness Visits</td>
<td>First visit – G0438</td>
</tr>
<tr>
<td></td>
<td>Second visit – G0439</td>
</tr>
<tr>
<td>Transitional Care Management</td>
<td>99490 and 99495</td>
</tr>
<tr>
<td>Chronic Care Management</td>
<td>99490</td>
</tr>
<tr>
<td>MTM codes (Payer dependent)</td>
<td>99660, 99660, and 99660</td>
</tr>
<tr>
<td>Various capitated contract or per covered lives contract models</td>
<td>Various – contract terms negotiated</td>
</tr>
</tbody>
</table>

PHARMACY PRACTICE FUTURE INFLUENCERS
Top Ten Challenges and Opportunities For Hospitals

- Population health
- Shifting from volume- to value-based reimbursement
- Regulatory demands
- Infection control, especially in light of Ebola
- Demonstrating the value of M&A to consumers
- Truly integrating systems
- Overspecialization of the physician workforce and questions over the physician shortage
- Hospital closures
- Reimbursement rate differences (site of care)
- Data, data everywhere

Beckers Top Ten Challenges and Opportunities for Hospitals

Big Data and Population Health Management
Physician Employment - Opportunity?

• 2014, only 17 percent of physicians indicate that they are in solo practice, down from 25 percent in 2012.
• 2014, only 35 percent of physicians describe themselves as independent practice owners, down from 49 percent in 2012 and 62 percent in 2008.
• Fifty-three percent of respondents describe themselves as employees of a hospital or medical group, up from 44 percent in 2012 and 38 percent in 2008.
• More than two-thirds of employed physicians (68 percent) expressed concerns relative to clinical autonomy and their ability to make the best decisions for their patients.

Site of Care and Partnerships

• CMS and private payers actively targeting hospital revenue.
• Market timing for partnerships – is it possible?
• Partnerships or Market Share Competitors or Both?
Specialty Pharmacy

“..specialty-drug spend is forecast to increase an additional 63% between 2014 and 2016.”

http://lab.express-scripts.com/~media/pdfs/drug%20trend%20report/express%20scripts%202013%20drug%20trend%20report%20highlights%20online.ashx
Think, Pair, Share

• Please break into groups of 2-3 for 10 minutes

• Topics to discuss:
  – How are the merger and acquisitions between hospitals and with physician practices impacting:
    • Your practice model?
    • Your recruitment and development of pharmacy staff?
    • Your organization’s business partners?
    • Your opportunities to expand ambulatory care opportunities?

• Group share:
  – Three volunteers to share successes.

WRAP UP
Issues Gathering Steam

Who will influence our formulary?

Societal influencers on practice.

Building Value: Expanding Ambulatory Care in the Pharmacy Enterprise

1. Change Perspective
2. Understand and Participate in the C-suite’s Ambulatory Care Strategic Plan
3. Revenue Cycle Assessment
4. Invest in Outpatient Pharmacy, Specialty Pharmacy, and Home Infusion
5. Population Health Management
6. Transitions of Care Focused Planning
7. Develop a layered learner model expanding student and resident training within Primary Care and Ambulatory Care
8. Actively Engage Technologies to Reach Ambulatory Care Patients
9. Marketing Pharmacists Value
10. Advocate for the Profession
ASHP Initiatives to Support Pharmacy Leaders

In Summary

- Hospital and health system pharmacy practice is evolving and improving
- Transitions of care between all settings and levels of care is highest priority for health care in United States
- Trends are towards better population health management, adapting to societal aging and health conditions, and optimizing new payment models
- Health system pharmacy is positioned for success!